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Deson Development International Holdings Limited

迪臣發展國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 262)

VARIATION OF TERMS OF THE JOINT VENTURE

Reference is made to the announcement of the Company dated 6 May 2009 (the “**Announcement**”) in relation to the formation of the JV Company.

On 25 June 2009, the parties to the Shareholders Agreement entered into a supplemental agreement (the “**Supplemental Agreement**”) pursuant to which: (i) the shareholding interest of Deson BVI and Skill Achieve in the JV Company was changed to become 20% (from 30%) and 80% (from 70%) respectively; (ii) the total sum of the shareholder’s loan to be advanced by Deson BVI to the JV Company was increased to approximately RMB29 million (equivalent to approximately HK\$32.9 million) (from RMB24 million) and that to be advanced by Skill Achieve was increased to approximately RMB116 million (equivalent to approximately HK\$131.8 million) (from RMB56 million) respectively; and (iii) the option of Deson BVI to purchase from Skill Achieve up to 40% of the issued share capital in, and the corresponding portion of the shareholder’s loan advanced by Skill Achieve to, the JV Company has been terminated.

This announcement is made pursuant to rule 14.36 of the Listing Rules.

Reference is made to the Announcement of the Company in relation to the formation of the JV Company. Unless otherwise specified, terms used in the Announcement shall have the same meanings when used herein.

On 25 June 2009, the parties to the Shareholders Agreement entered into a Supplemental Agreement pursuant to which: (i) the shareholding interest of Deson BVI in the JV Company was reduced from 30% to 20% and that of Skill Achieve in the JV Company was increased from 70% to 80%; (ii) the total sum of the shareholder’s loan to be advanced by Deson BVI to the JV Company was increased from RMB 24 million (equivalent to approximately HK\$27.2 million) to approximately RMB29 million (equivalent to approximately HK\$32.9 million) and that to be advanced by Skill Achieve was increased from RMB56 million (equivalent to approximately HK\$63.6 million) to approximately RMB116 million (equivalent to

approximately HK\$131.8 million) respectively; (iii) the total capital contribution to be made by the JV Company in its investment in a 10% equity interest in the Reorganized ZJC was increased from RMB60 million (equivalent to approximately HK\$68.2 million) to RMB145 million (equivalent to approximately HK\$164.7 million); and (iv) the option of Deson BVI to purchase from Skill Achieve up to 40% of the issued share capital in, and the corresponding portion of the shareholder's loan advanced by Skill Achieve to the JV Company has been terminated. As at the date of this announcement, none of the aforesaid shareholder's loan has been advanced by Deson BVI and Skill Achieve to the JV Company.

The Board considers that the terms of the Supplemental Agreement are fair and reasonable, and were negotiated on arm's length basis and are in the best interests of the Company and the Shareholders.

Save and except the aforementioned terms, the other principal terms of the Shareholders Agreement remain unchanged.

INFORMATION ON SKILL ACHIEVE

Skill Achieve is a company incorporated with limited liability in Hong Kong, whose main businesses include, inter alia, investment.

To the best knowledge of the Directors having made all reasonable enquiries, Skill Achieve is independent of, and not connected with, the Company or any of its connected persons and is not itself a connected person of the Company, and that its sole director is not a director of the Company, nor holds any shareholding interest in any indirect non-wholly owned subsidiary of the Company.

Unless otherwise specified in this announcement, amounts denominated in RMB have been translated, for the purpose of illustration only, into HK\$ at exchange rates of RMB0.88 = HK\$1.

By Order of the Board of
Deson Development International Holdings Limited
Tjia Boen Sien
Managing Director and Deputy Chairman

Hong Kong, 25 June 2009

As at the date of this announcement, the executive Directors of the Company are Mr. Wang Ke Duan, Mr. Tjia Boen Sien, Mr. Wang Jing Ning and Mr. Keung Kwok Cheung, and the independent non-executive Directors are Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Wong Shing Kay, Oliver.

* *for identification purposes only*